

Travel Promotion Act Heads to the President's Desk to be Signed into Law

WASHINGTON - The U.S. Senate today voted 78-18 to give final approval to a bill, [co-sponsored by U.S. Rep. Harry Mitchell](#)

, to help boost international tourism in the Phoenix-metro area and other U.S. destinations. The bill is now headed to the White House to be signed into law by the President.

"Tourism is an essential lifeblood of Arizona's economy," Mitchell said. "By promoting travel to vacation and convention destinations like Phoenix and Scottsdale, this bill will provide a much-needed boost for our tourism industry and to the thousands of jobs it supports. It will also benefit our local and national economy at no cost to taxpayers. It is a sensible way to increase travel to Arizona and the other parts of our country which are suffering during these difficult economic times."

The Travel Promotion Act creates a Corporation for Travel Promotion specifically designed to promote increased international travel to the U.S through advertising, outreach to and other promotional activities at no cost to taxpayers. The independent, non-profit corporation will be run by a panel consisting of members who have professional expertise in international travel marketing.

The Scottsdale Convention and Visitors Bureau, the Arizona Office of Tourism and U.S. Travel Association and the U.S. Chamber of Commerce have endorsed the bill, which will also reduce the deficit over 10 years.

The Act specifies that travel promotion would be paid for by private sector contributions and a \$10 fee on foreign travelers from countries that do not pay \$131 for a visa to enter the United

States. The legislation requires no contributions from U.S. taxpayers. [Source: [Business Week](#), May 20, 2009]

Tourism has a multi-billion dollar impact on Arizona's economy. In 2007, travelers spent \$19.3 billion in Arizona equating to almost \$53 million pumped directly into the state's economy every day. Almost 80 percent of all travel spending in Arizona comes from out-of-state and international visitors, which represents new money introduced into the economy. Visitor spending generated 171,500 jobs, \$5.1 billion in employee earnings and \$2.7 billion in local, state and federal taxes in 2007. [Source: [Arizona Hotel and Lodging Association](#)]

The difficult economy has negatively impacted tourism in Arizona. In Scottsdale, 2009 tourism figures show major decreases in occupancy, average daily room rate and revenue per available room. Scottsdale's occupancy in 2009 was 56 percent, down 10 percent from 2007 and 14 percent from 2008. Revenue per available room decreased more than 30 percent in 2009 from 2006 and room rate dipped roughly 20 percent in 2009 from 2007. [Source: [Tourism Industry Measurements, Scottsdale Convention and Visitors Bureau](#)]

Additionally, state figures show that the 37.4 million people that visited Arizona in 2008 represented a 3 percent decline from 2007 and that direct spending by visitors was down as well. [Source: [Phoenix Business Journal](#), July 9, 2009]

Travel into the United States has declined since the September 11, 2001 terrorist attacks and has been exacerbated during these difficult economic times. Earlier this week, Oxford Economics and the U.S. Travel Association issued a report estimating that the reduced number of foreign visitors following 9/11 has cost the U.S. economy \$500 billion. [Source: [CQ](#), February, 26, 2010]

Oxford Economics also estimates that a well-executed promotional program would draw 1.6 million new international visitors annually and generate \$4 billion in new visitor spending. National tourism organizations in countries including Greece, Australia and Mexico each spent more than \$100 million on tourism marketing in 2005, according to the United Nations World Tourism Organization. The United States spent about \$6 million the same year. [Source: [CNN](#), February 26, 2010]

Increasing promotional efforts to boost tourism have proven to be effective. According to the Arizona Hotel and Lodging Association, every dollar of marketing from the Arizona Office of Tourism generates \$180 in direct visitor spending and \$14.95 in state and local revenue. The association also reports that every dollar the State of Arizona invests in promoting tourism returns \$8 to the state general fund. [Source: [Arizona Hotel and Lodging Association](#)]